

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

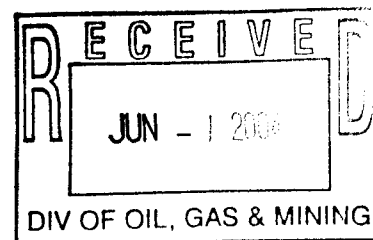
FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>UTU-68620</b>
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>N/A</b>
2. Name of Operator <b>Yates Petroleum Corporation</b>		7. If Unit or CA Agreement, Name and No. <del>N/A</del> <b>Wilkin Ridge (Burr)</b>
3a. Address <b>105 South 4th Street Artesia, NM 88210</b>		8. Lease Name and Well No. <b>Manatee Federal 1</b>
3b. Phone No. (include area code) <b>(505) 748-1471</b>		9. API Well No. <b>43-047-35798</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>505' FSL &amp; 825' FEL</b> <i>594683 X 39.95269</i> At proposed prod. zone <b>Same</b> <i>4422884 Y 109.89158</i>		10. Field and Pool, or Exploratory <b>Uteland Butte</b>
11. Sec., T., R., M., or Blk. and Survey or Area <b>9-10s-18e SLM</b>		12. County or Parish <b>Uintah</b>
13. State <b>UT</b>		14. Distance in miles and direction from nearest town or post office* <b>20 air miles SE of Myton, UT</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>505'</b>	16. No. of Acres in lease <b>1,279.30</b>	17. Spacing Unit dedicated to this well <b>SESE Sec. 9 (= 40 acres)</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>N/A</b>	19. Proposed Depth <b>5,000'</b>	20. BLM/BIA Bond No. on file <b>BLM nation wide</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>GL: 5,072'</b>	22. Approximate date work will start* <b>July 1, 2004</b>	23. Estimated duration <b>3 weeks</b>
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.<br>2. A Drilling Plan.<br>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).<br>5. Operator certification.<br>6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|---|

Comments

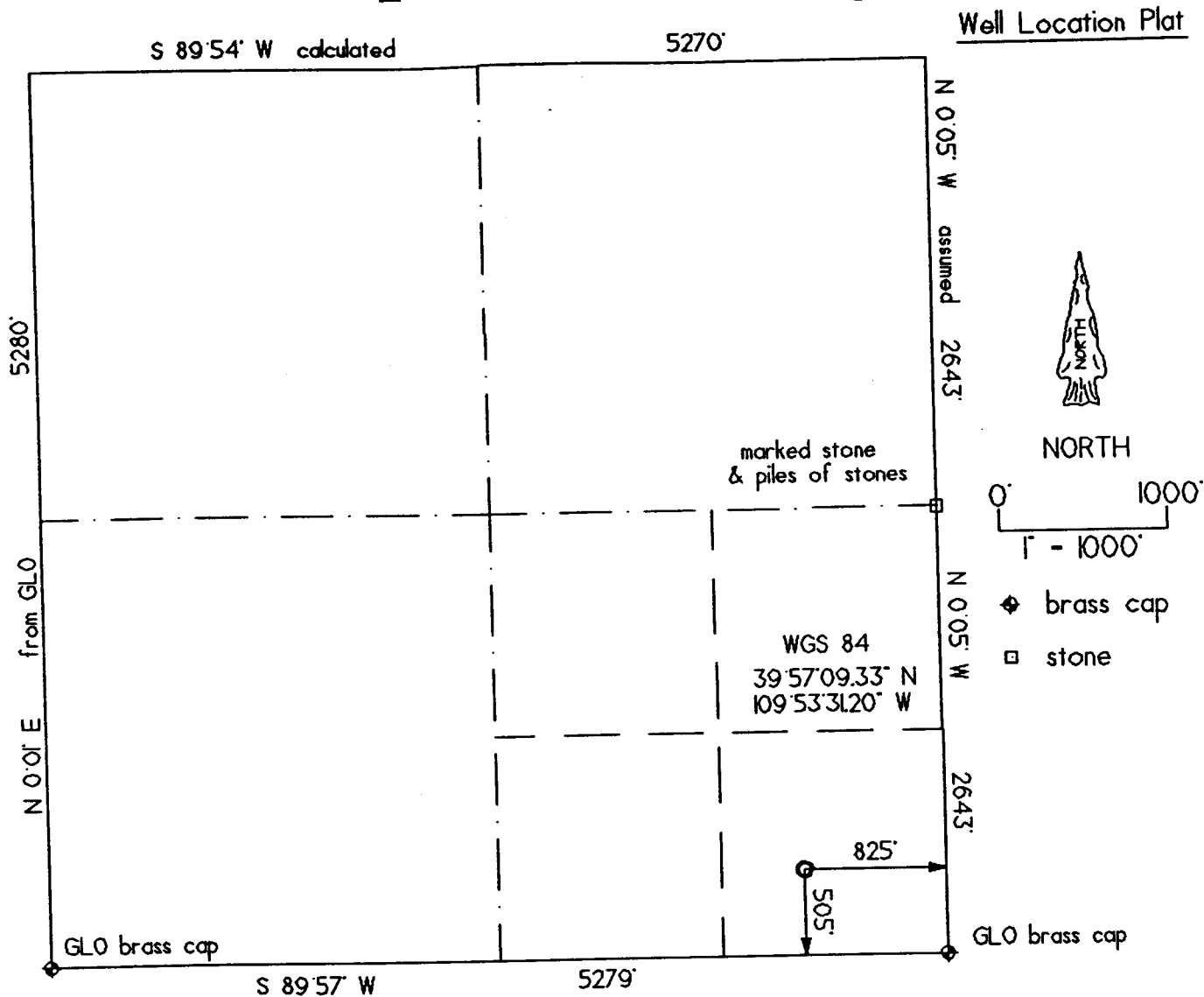


cc: BLM, May, UDOGM

25. Signature <i>Brian Wood</i>	Name (Printed/Typed) <b>Brian Wood</b>	Date <b>5-28-04</b>
Title <b>Consultant</b>	Phone: <b>505 466-8120</b>	FAX: <b>505 466-9682</b>
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>06-14-04</b>
Title <b>Environmental Scientist III</b>		

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Well Location Description

YATES PETROLEUM CORPORATION  
MANATEE FEDERAL # 1  
505' FSL & 825' FEL  
Section 9, T.10 S., R.18 E., SLM  
Uintah County, UT  
5072' grd. el. ( from GPS)



03/19/04

Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

## United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

June 10, 2004

## Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Wilkin Ridge Unit,  
Duchesne and Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2004 within the Wilkin Ridge Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ Wasatch)

43-047-35798 Mantee Federal 1    Sec 9    T10S    R18E 0505 FSL 0825 FEL

Please be advised that Federal Lease UTU68620 is **not** committed to the Wilkin Ridge unit. Please report the well to Federal Lease UTU68620. This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Wilkin Ridge Unit  
Division of Oil Gas and Mining  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:6-10-04

Yates Petroleum Corporation  
 Manatee Federal #1  
 505' FSL & 825' FEL  
 Sec. 9, T. 10 S., R. 18 E.  
 Uintah County, Utah

## Drilling Plan

### 1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Uinta Formation	000'	12'	+5,072'
Green River	1,062'	1,074'	+4,010'
Wasatch	4,802'	4,814'	+270'
Total Depth (TD)*	5,000'	5,012'	+72'

\* all elevations reflect the ungraded ground level of 5,072'

### 2. NOTABLE ZONES

<u>Oil &amp; Gas Zones</u>	<u>Water Zones</u>	<u>Mineral Zone</u>
Green River	Uinta	Green River
Wasatch		

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

### 3. PRESSURE CONTROL

BOP systems will follow Onshore Order #2 and API RP 53. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical model is on PAGE 3.

BOP controls will be installed before drilling the surface casing plug and remain

Yates Petroleum Corporation  
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in use until the well is completed or abandoned. Once out from under the surface casing, a minimum 2,000 psi BOP and choke manifold system will be used on 8-5/8" casing. System will include anchored choke lines, kelly cock, pit level indicators, and flow sensor. A sub with a full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Will test to 1,000 psi with rig pump.

#### 4. CASING & CEMENT

The proposed casing program is:

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>GL Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	S T & C	New	400'
7-7/8"	5-1/2"	15.5	J-55	S T & C	New	5,000'

Casing design factors: collapse = 1.125, burst = 1.1, & tensile strength = 1.6

Surface casing will be cemented to the surface with  $\approx 280$  sacks ( $\approx 330$  cubic feet &  $\approx 100\%$  excess) Class C with 2%  $\text{CaCl}_2$  (yield = 1.18, weight = 15.6). Three centralizers will be used.

Long string will be cemented to the surface ( $\approx 65\%$  excess) with  $\approx 300$  sacks Premium Lite (yield = 2.89, weight = 11) and  $\approx 300$  sacks Premium Lite High Strength (yield = 1.89, weight = 13). Seven centralizers will be used.

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#### 5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>ppg</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0' - 400'	Fresh water/air mist	8.4	28	NC
400' - 3,000	Air mist	8.4	28	NC
3,000' - TD	Fresh water/gel	8.4 - 8.6	28 - 34	<15 cc

Sufficient mud material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well site while drilling. Mud will be checked hourly by rig personnel.

#### 6. CORING, TESTING, & LOGGING

No cores are planned. Conventional drill stem tests may be run. FDC/CNL and DLL/GR logs will be run from TD to the base of the surface casing.

#### 7. DOWN HOLE CONDITIONS

No abnormal temperatures, abnormal pressures ( $\approx 2,200$  psi maximum expected), nor hydrogen sulfide are expected.

#### 8. OTHER INFORMATION

The anticipated spud date is July 1, 2004. It is expected it will take  $\approx 10$  days to drill and  $\approx 5$  days to complete the well.

Yates Petroleum Corporation  
Manatee Federal #1  
505' FSL & 825' FEL  
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## Surface Use Plan

### 1. DIRECTIONS & EXISTING ROADS (See Pages 10 - 13)

From the equivalent of Mile Post 104.8 on US 40 west of Myton ...  
Go Southeast 11.4 miles on the Sand Wash Road (aka, Road 5550 West)  
Then turn right and go South 6.7 miles on the Sand Wash Road  
Then turn left at a turkey foot junction and go East 6.3 miles onto the pad

Existing roads need no upgrading. Roads will be maintained to a standard at least equal to their present condition.

### 2. ROAD TO BE BUILT (See Page 13)

The existing road crosses the proposed reserve pit and will be rerouted to the south side of the pad. (The road will returned to its original location once the well is plugged and abandoned.) The reroute will require 729.65' of new construction, of which 270' will be on the pad. The reroute will be crowned and ditched with a  $\approx 15'$  wide running surface and a maximum disturbed width of 20'. Maximum grade will be 1%. Maximum cut or fill will be 2'. No culvert, cattle guard, or turnout is needed.

### 3. EXISTING WELLS (See Page 12)

There are three plugged and abandoned wells and four oil or gas wells within a mile radius. There are no water or injection wells now within a mile, although Pendragon is planning a water flood.

Yates Petroleum Corporation  
Manatee Federal #1  
505' FSL & 825' FEL  
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#### 4. PROPOSED PRODUCTION FACILITIES

One water tank, two to three oil tanks, and a separator or heater-treater will be installed on the north side of the pad east of the reserve pit. All will be painted a flat Carlsbad tan. All will be inside a dike.

#### 5. WATER SUPPLY

Water will be trucked from a private (#43-1721) water source (Nebeker's water well) in 34-3s-2w south of Myton.

#### 6. CONSTRUCTION MATERIALS & METHODS (See Pages 13 - 15)

The top 6" of topsoil will be stripped and stockpiled east and west of the pad. A diversion ditch will be cut along the north side of the well site. The south side of the pad will be trimmed at least 5'. No fill will be placed in the wash. A  $\geq 12$  mil plastic liner will be installed in the reserve pit.

#### 7. WASTE DISPOSAL

The reserve pit will be fenced sheep tight on 3 sides with woven wire fence topped with barbed wire. The fourth side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries. Once dry, contents of the reserve pit will be buried in place. No oil will be discharged into the pit. All oil will go into tanks.

All trash will be placed in a portable trash cage. It will be hauled to a county landfill. There will be no burial or burning. Human waste will be disposed of in chemical toilets or holding tanks. Contents will be disposed at state approved dump stations.



Yates Petroleum Corporation  
Manatee Federal #1  
505' FSL & 825' FEL  
Sec. 9, T. 10 S., R. 18 E.  
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## 8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

## 9. WELL SITE LAYOUT

See PAGES 14 and 15 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

## 10. RECLAMATION

The reserve pit will be reclaimed within 180 days of the end of completion or plugging, whichever comes first, at which point it will be back filled. The pad and pit will be contoured to a natural shape, stockpiled topsoil and brush spread evenly over disturbed areas, and disturbed areas ripped or harrowed. A seed mix to be determined by BLM will be drilled at a depth and time to be determined by BLM. If broadcast, the rate will be increased as determined by BLM. A harrow or cable will be dragged over the area to assure seed cover. The new road will be blocked and reclaimed in the same manner as the well site and the old road returned to its original location.

If the well is a producer, then the reserve pit and any other areas not needed for work overs will be reclaimed as previously described.

## 11. SURFACE OWNER

The well and all construction are on lease on federal land managed by BLM.

Yates Petroleum Corporation  
Manatee Federal #1  
505' FSL & 825' FEL  
Sec. 9, T. 10 S., R. 18 E.  
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## 12. OTHER INFORMATION

The nearest hospital (Uintah Basin Medical Center @ (435) 722-4691) is an hour drive away in southwest Roosevelt at 250 West 300 North.

Archaeology report MOAC 04-43 was filed by Montgomery on April 12, 2004.

## 13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant

Permits West, Inc.

37 Verano Loop

Santa Fe, NM 87508

(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

The field representative while drilling will be:

Cory Frederick

(505) 748-4214

FAX: (505) 748-4651

Yates Petroleum Corporation has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by Yates Petroleum Corporation.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the

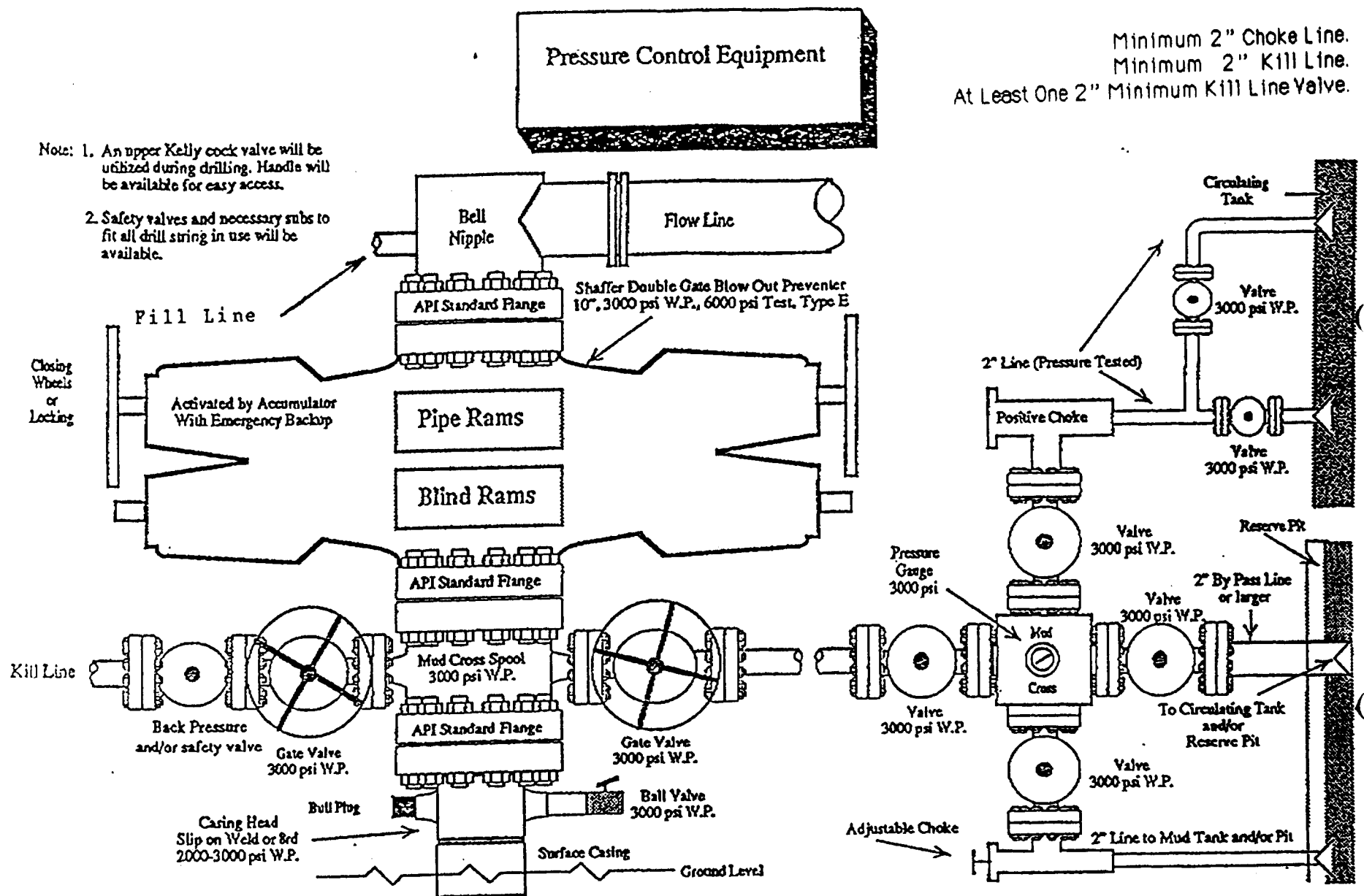
Yates Petroleum Corporation  
Manatee Federal #1  
505' FSL & 825' FEL  
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Uintah County, Utah

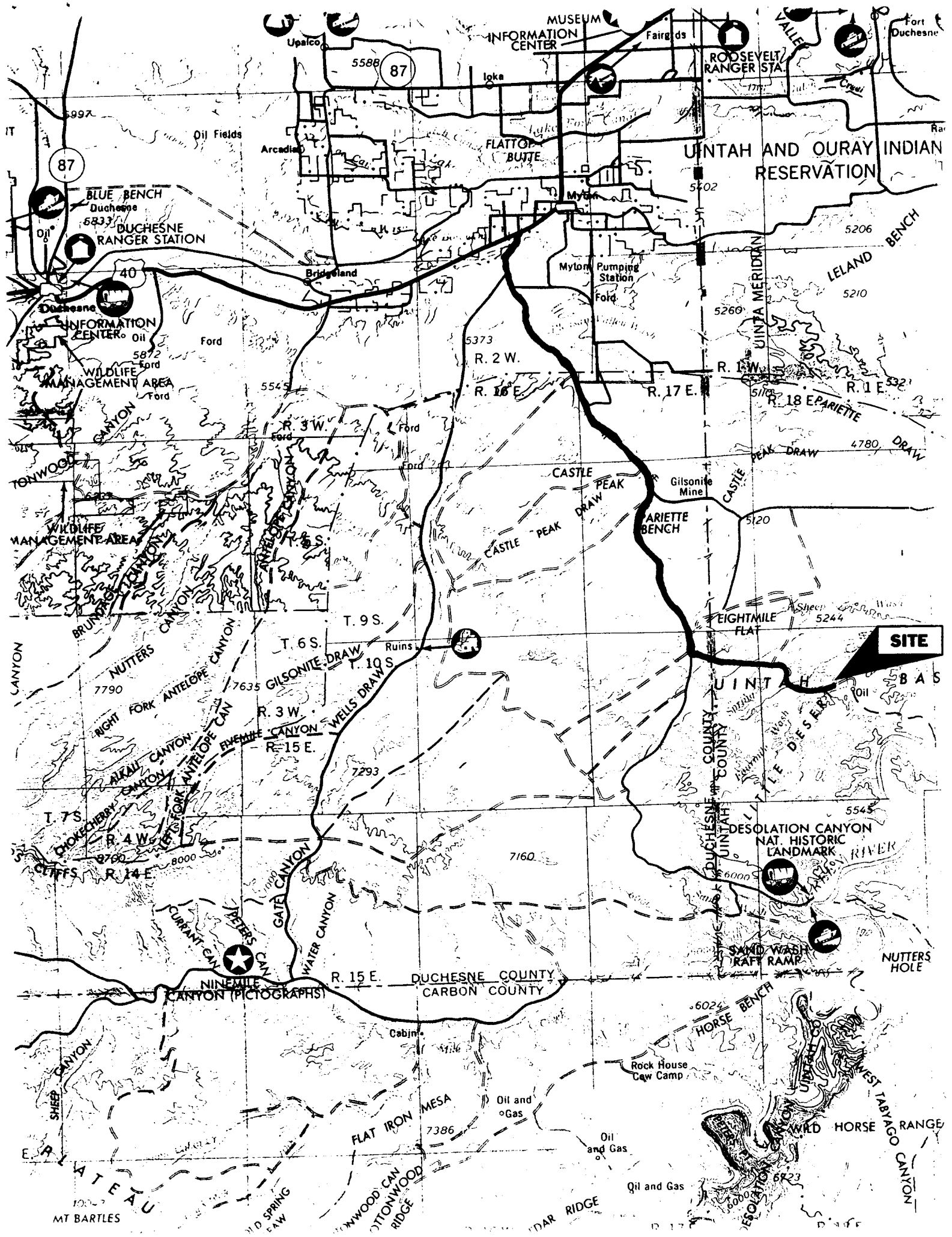
PAGE 9

provisions of 18 U. S. C. 1001 for the filing of a false statement.

  
\_\_\_\_\_  
Brian Wood, Consultant

May 28, 2004





**SITE**

ROOSEVELT  
RANGER STA.

UINTAH AND OURAY INDIAN  
RESERVATION

BLUE BENCH  
Duchesne  
6833  
DUCHESNE  
RANGER STATION

INFORMATION  
CENTER

WILDLIFE  
MANAGEMENT AREA

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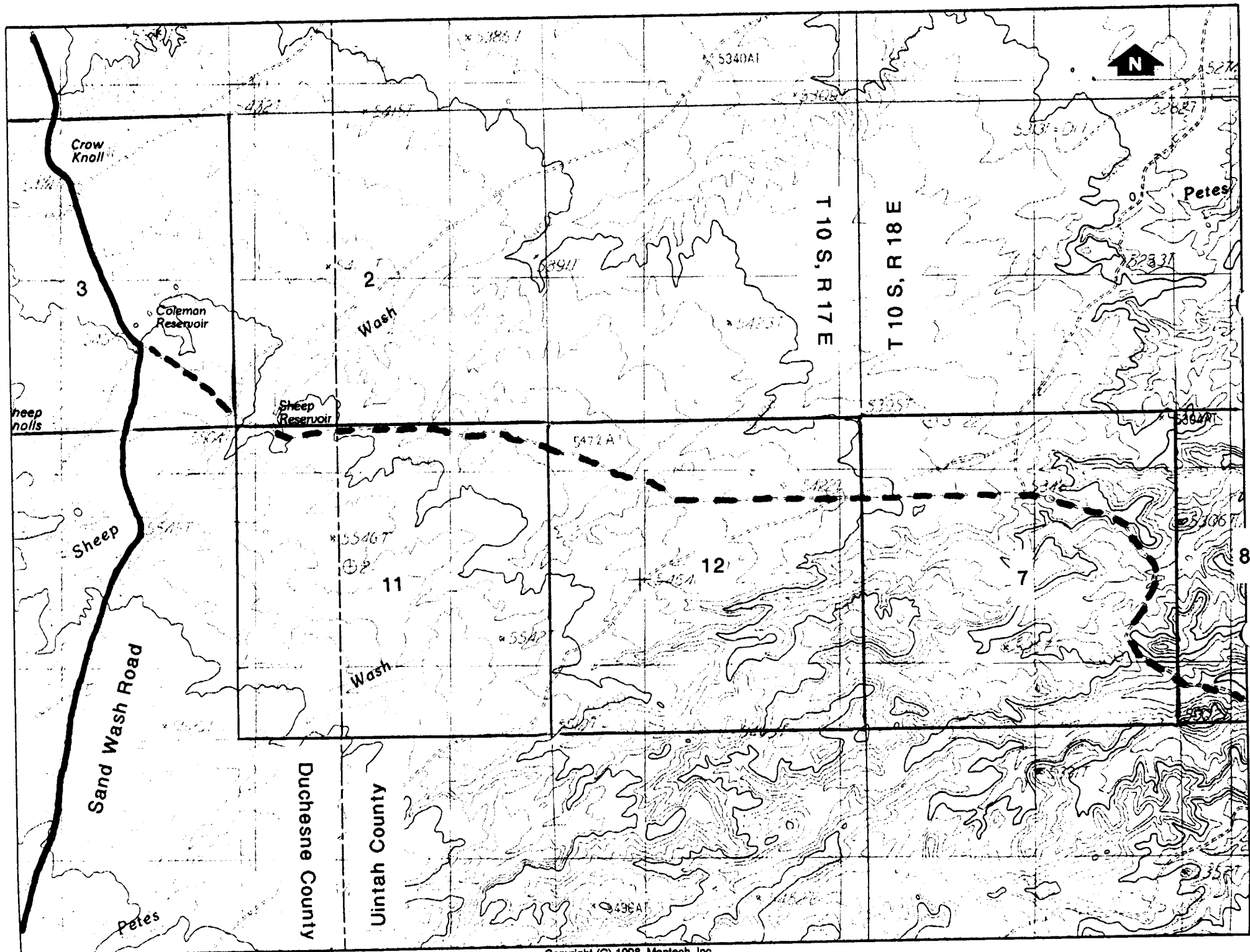
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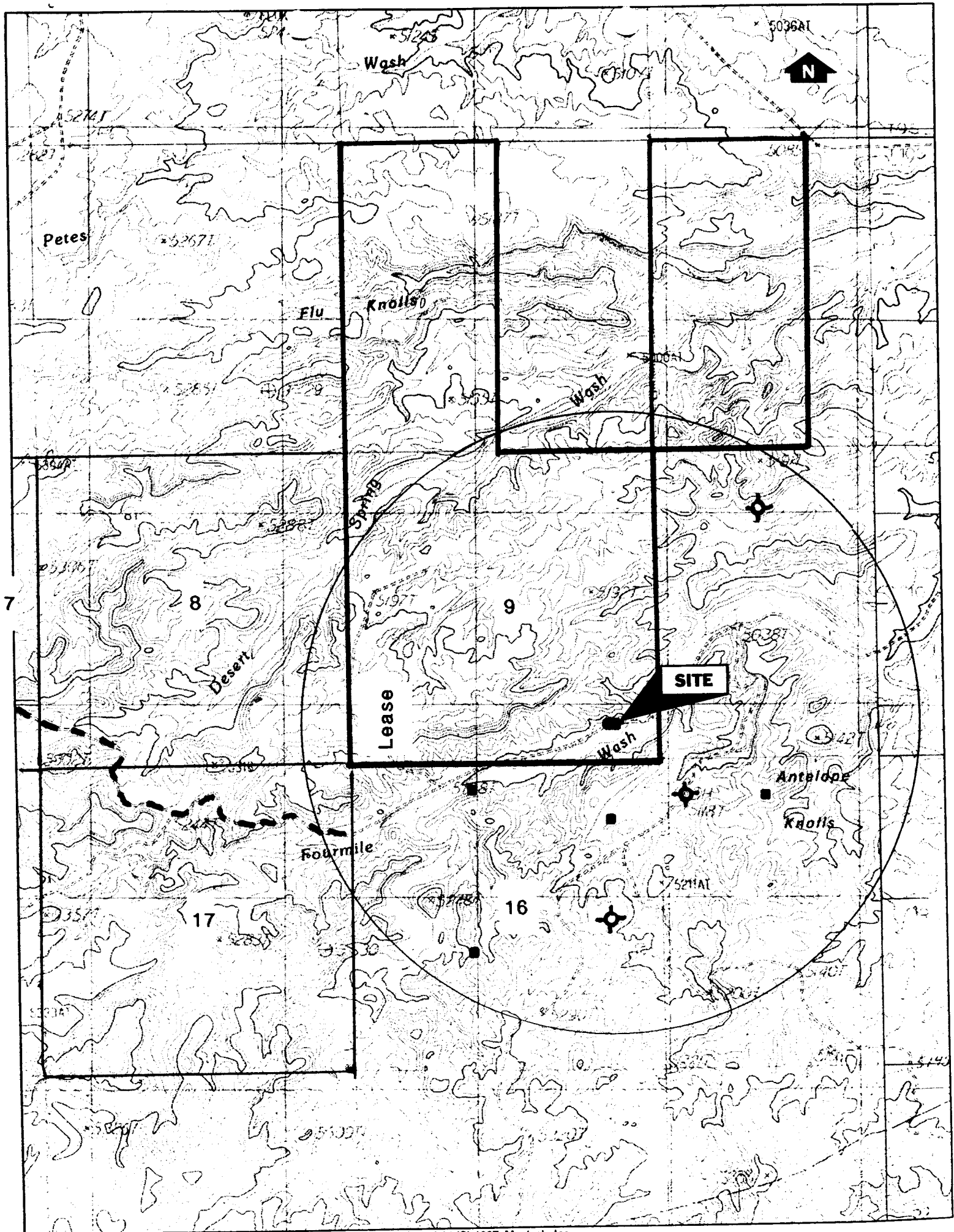
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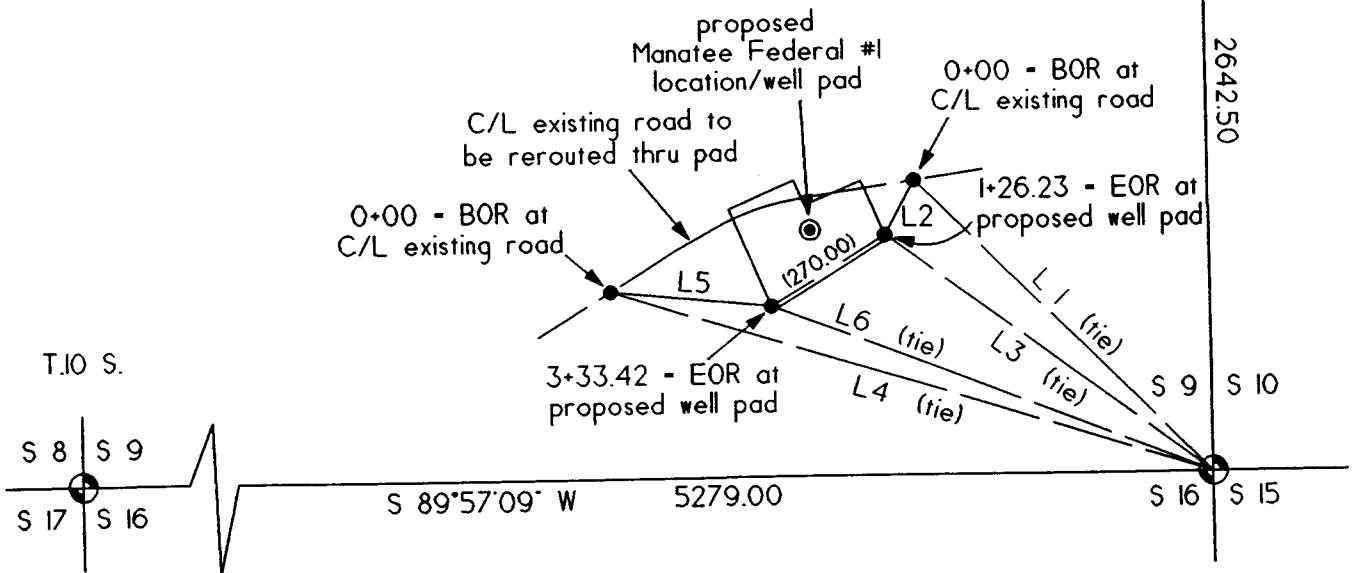


LINE DESCRIPTION TABLE

LINE NO.	DIRECTION	LENGTH
1 (TIE)	S 45° 23' 52" E	859.20
2	S 29° 01' 37" W	126.23
3 (TIE)	S 53° 46' 45" E	834.22
4 (TIE)	S 72° 45' 48" E	1295.69
5	S 84° 15' 19" E	333.42
6 (TIE)	S 68° 50' 29" E	971.22

R.18 E.  
1/4 Cor.  
S 9 S 10

N 0° 05' 12" W  
2642.50



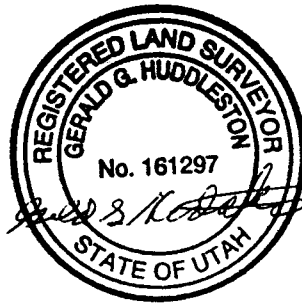
Basis of Bearing:  
GPS state plane coordinates  
rotated.



0' 400'

Scale: 1" = 400'

- ⊕ fnd. std. GLO monument
- fnd. marked stone in pile of stones
- survey centerline PI



YATES PETROLEUM CORPORATION

Proposed Manatee Federal #1 access road -  
SE/4 of Section 9.  
T.10 S., R.18 E., SLM  
Uintah County, Utah

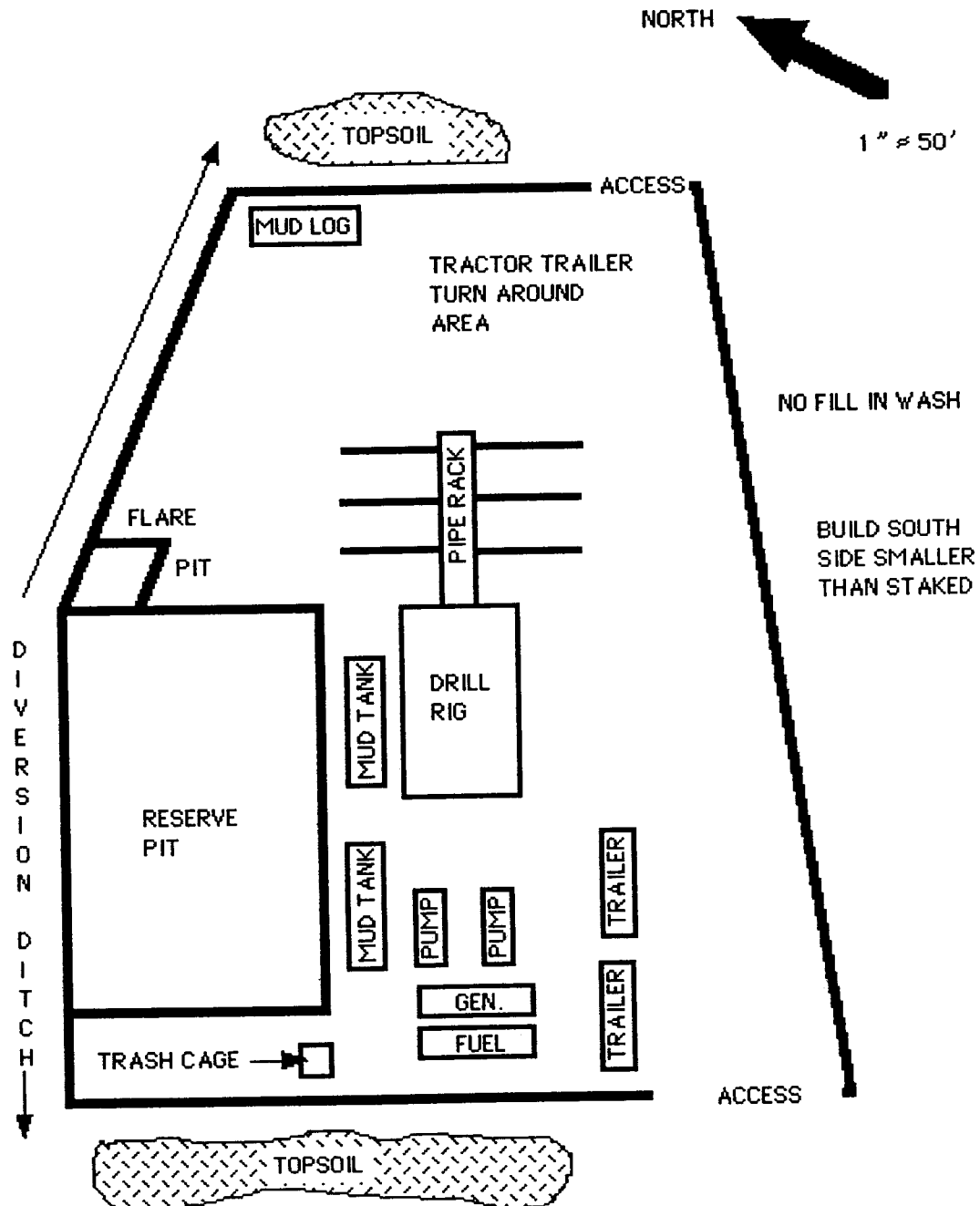
19 March 2004

HUDDLESTON LAND SURVEYING  
P.O. DRAWER KK / CORTEZ, CO 81321 / 970-565-3330

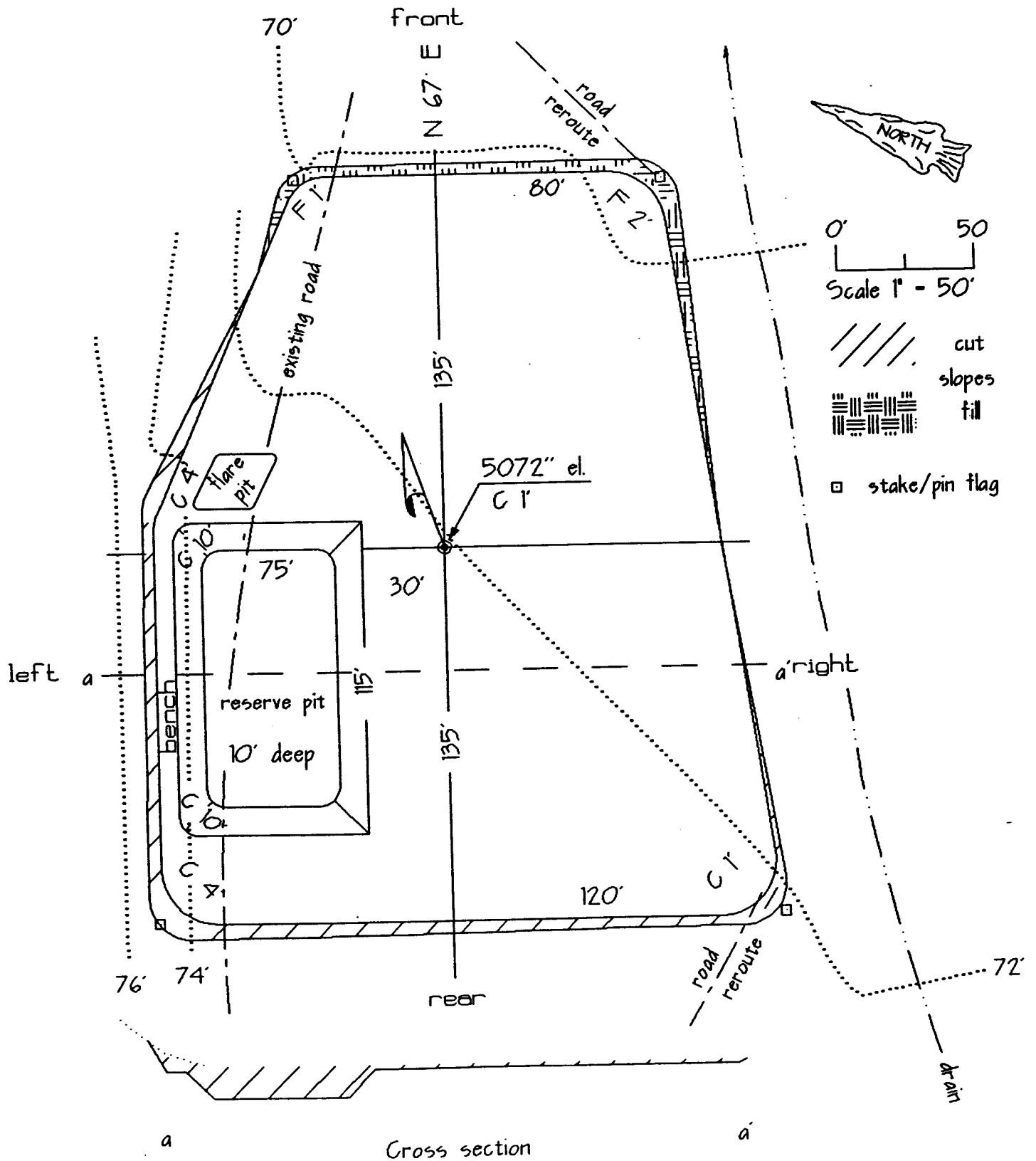


Yates Petroleum Corporation  
Manatee Federal #1  
505' FSL & 825' FEL  
Sec. 9, T. 10 S., R. 18 E.  
Uintah County, Utah

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Manatee Federal # 1  
well pad & section



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/01/2004

API NO. ASSIGNED: 43-047-35798

WELL NAME: MANATEE FED 1

OPERATOR: YATES PETROLEUM CORP ( N7400 )

CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-9682

## PROPOSED LOCATION:

SESE 09 100S 180E

SURFACE: 0505 FSL 0825 FEL

BOTTOM: 0505 FSL 0825 FEL

UINTAH

UTELAND BUTTE ( 695 )

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-68620

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSTC

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.95269

LONGITUDE: 109.89158

## RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM-2811 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 43-1721 )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)

## LOCATION AND SITING:

R649-2-3.

Unit

☒ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No:

Eff Date:

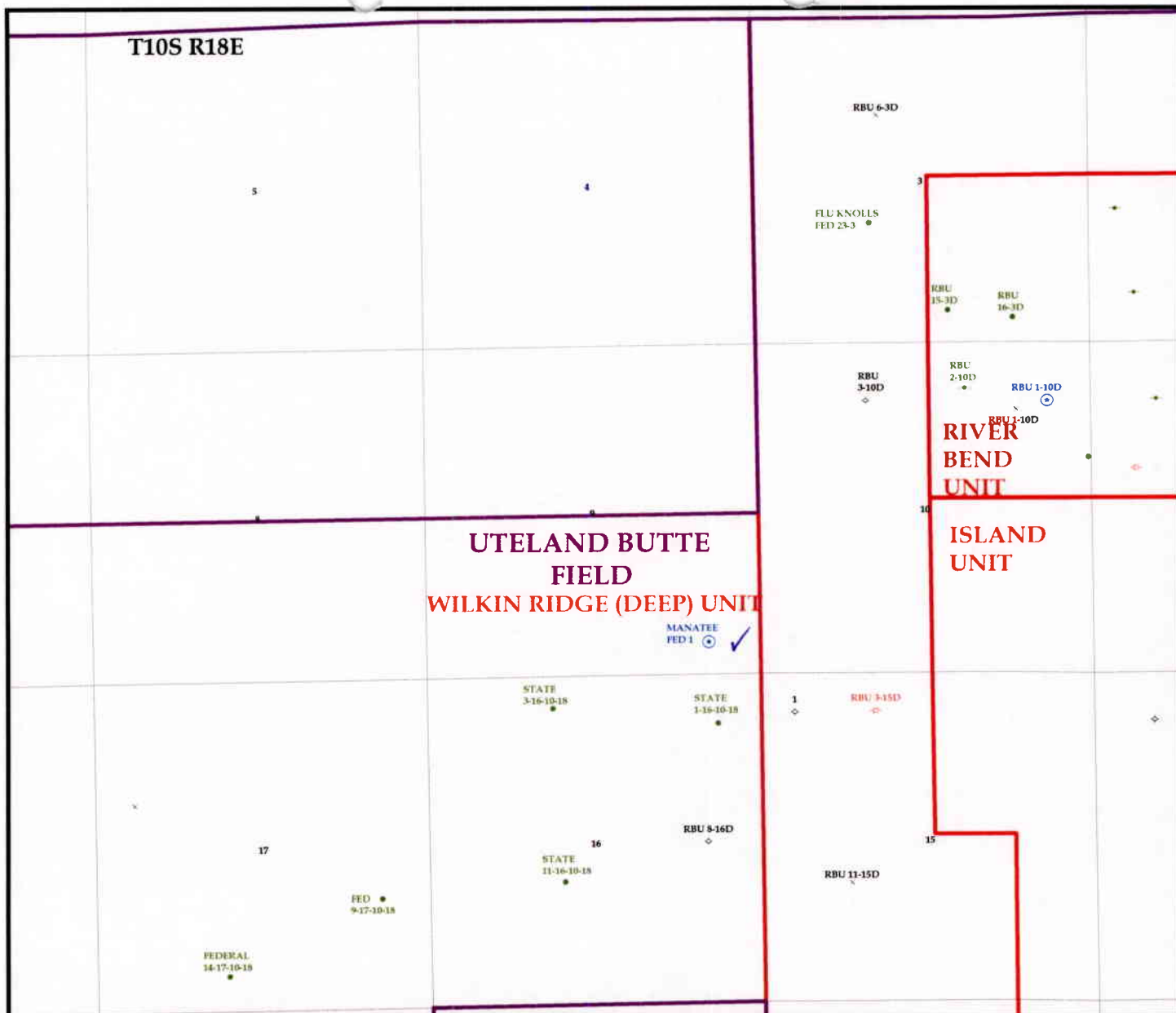
Siting:

R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval  
2- Spacing Strip



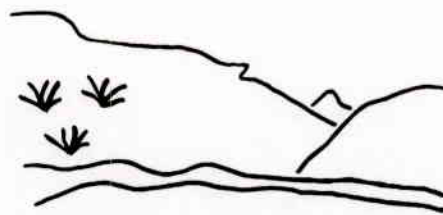
OPERATOR: YATED PETRO CORP (N7400)

SEC. 9 T.10S, R18E

FIELD: UTELAND BUTTE (695)

COUNTY: UINTAH

SPACING: R649-3-2/ GENERAL SITING



Utah Oil Gas and Mining

- Well Status
- ⊕ GAS INJECTION
  - ⊖ GAS STORAGE
  - ⊗ LOCATION ABANDONED
  - ⊕ NEW LOCATION
  - ◇ PLUGGED & ABANDONED
  - ⊕ PRODUCING GAS
  - PRODUCING OIL
  - ⊖ SHUT-IN GAS
  - SHUT-IN OIL
  - ⊗ TEMP. ABANDONED
  - ⊖ TEST WELL
  - ⊕ WATER INJECTION
  - ⊕ WATER SUPPLY
  - ⊕ WATER DISPOSAL



PREPARED BY: DIANA WHITNEY  
DATE: 10-JUNE-2004



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

June 14, 2004

Yates Petroleum Corporation  
105 South 4th Street  
Artesia, NM 88210

Re: Manatee Federal 1 Well, 505' FSL, 825' FEL, SE SE, Sec. 9, T. 10 South,  
R. 18 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35798.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

**Operator:** Yates Petroleum Corporation  
**Well Name & Number** Manatee Federal 1  
**API Number:** 43-047-35798  
**Lease:** UTU-68620

**Location:** SE SE                      **Sec.** 9                      **T.** 10 South                      **R.** 18 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.**

**5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

006

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **YATES PETROLEUM CORPORATION**

3a. Address  
**105 SOUTH 4TH ST., ARTESIA, NM 88210**

3b. Phone No. (include area code)  
**505 748-1471**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**495 FSL & 1015 FEL 9-10S-18E** *594652X* *39.952542*  
*4422868Y* *- 109.891945*

5. Lease Serial No.

**UTU-68620**

6. If Indian, Allottee or Tribe Name

**N/A**

7. If Unit or CA/Agreement, Name and/or No.

**N/A**

8. Well Name and No.

**MANATEE FEDERAL #1**

9. API Well No.

**43-047-35798**

10. Field and Pool, or Exploratory Area

**UTELAND BUTTE**

11. County or Parish, State

**UINTAH COUNTY, UT**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>MOVE WELL</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**AS REQUESTED BY BLM, WELL HAS BEEN MOVED 190' FROM 505 FSL & 825 FEL TO 495 FSL & 1015 FEL. GROUND ELEVATION IS NOW 6' HIGHER (5,078' INSTEAD OF 5,072'). SEE ATTACHMENTS FOR MORE DETAILS.**

COPY SENT TO OPERATOR  
Date: 10-26-04  
Initials: CHD

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 10-25-04

By: [Signature]

**RECEIVED**

**OCT 22 2004**

**DIV. OF OIL, GAS & MINING**

cc: BLM, May, UDOGM

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**BRIAN WOOD**

(PHONE 505 466-8120)

Title **CONSULTANT**

(FAX 505 466-9682)

Signature

[Signature]

Date

**10/21/2004**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

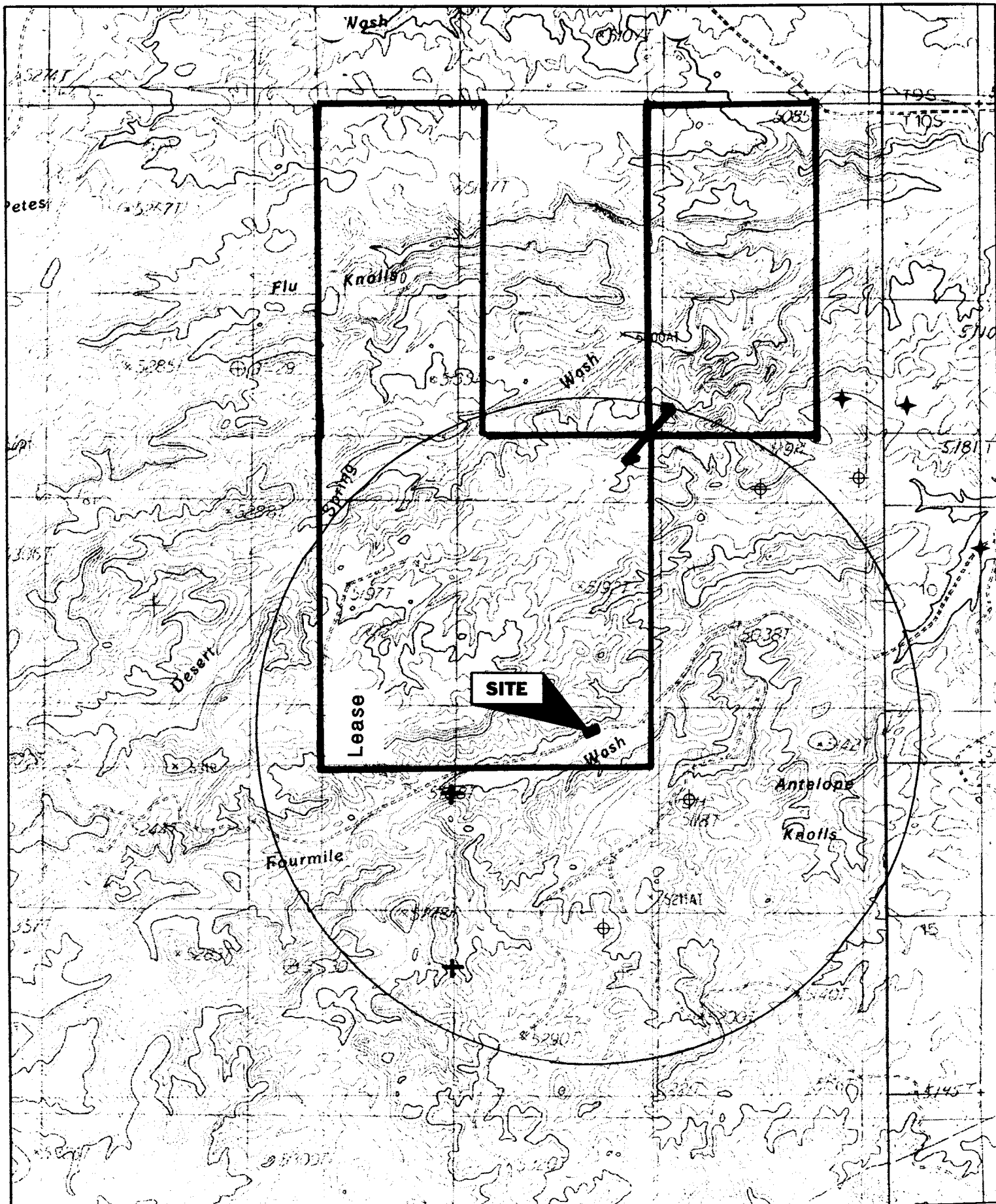
Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330





Yates Petroleum Corporation  
Manatee Federal #1  
495' FSL & 1015' FEL  
Sec. 9, T. 10 S., R. 18 E.  
Uintah County, Utah

PAGE 1

#### EXCEPTION LOCATION

This Sundry Notice is also an exception location request for the proposed Manatee Federal Federal #1 oil well which is now staked at 495' FSL & 1015' FEL Section 9, T. 10 S., R. 18 E., Uintah County. It is 155' too far west. It is too close to a quarter-quarter line, not to a well or lease line. I am requesting an exception because of topography. The original location was immediately adjacent to Fourmile Wash. BLM's wildlife biologist asked that it be moved further away and higher. This has now been done.

The well is now staked at 495' FSL & 1015' FEL on a 1,279.30 acre BLM lease. Yates is requesting permission to drill at 495' FSL & 1015' FEL 9-10s-18e. This is the only oil or gas well, existing or planned, in the quarter-quarter. Closest existing or approved well is Pendragon's producing Desert Spring 7-30-10-18, which is 2,464' west-southwest. Closest lease line is 495' south. Yates is the owner of all drilling units within a minimum 495' radius of the proposed exception. Three of the 8 offset quarter-quarters are part of the same Yates lease. The drilling unit (SWSE Sec. 9) toward which the well encroaches is part of the same Yates lease. Thus, the well moved toward the interior of the lease.

#### ROAD WORK

An existing road crosses the proposed pad and will be rerouted to the south side of the pad. (The road will returned to its original location once the well is plugged and abandoned.) The reroute will require 518' of new construction, of which 260' will be on the pad. The off pad portion (258') of the reroute will be crowned and ditched with a  $\approx 15'$  wide running surface and a maximum disturbed width of 20'. Maximum grade will be 1%. Maximum cut or fill will be 4'. No culvert, cattle guard, or turnout is needed.

Yates Petroleum Corporation  
Manatee Federal #1  
495' FSL & 1015' FEL  
Sec. 9, T. 10 S., R. 18 E.  
Uintah County, Utah

PAGE 2

#### PROPOSED PRODUCTION FACILITIES

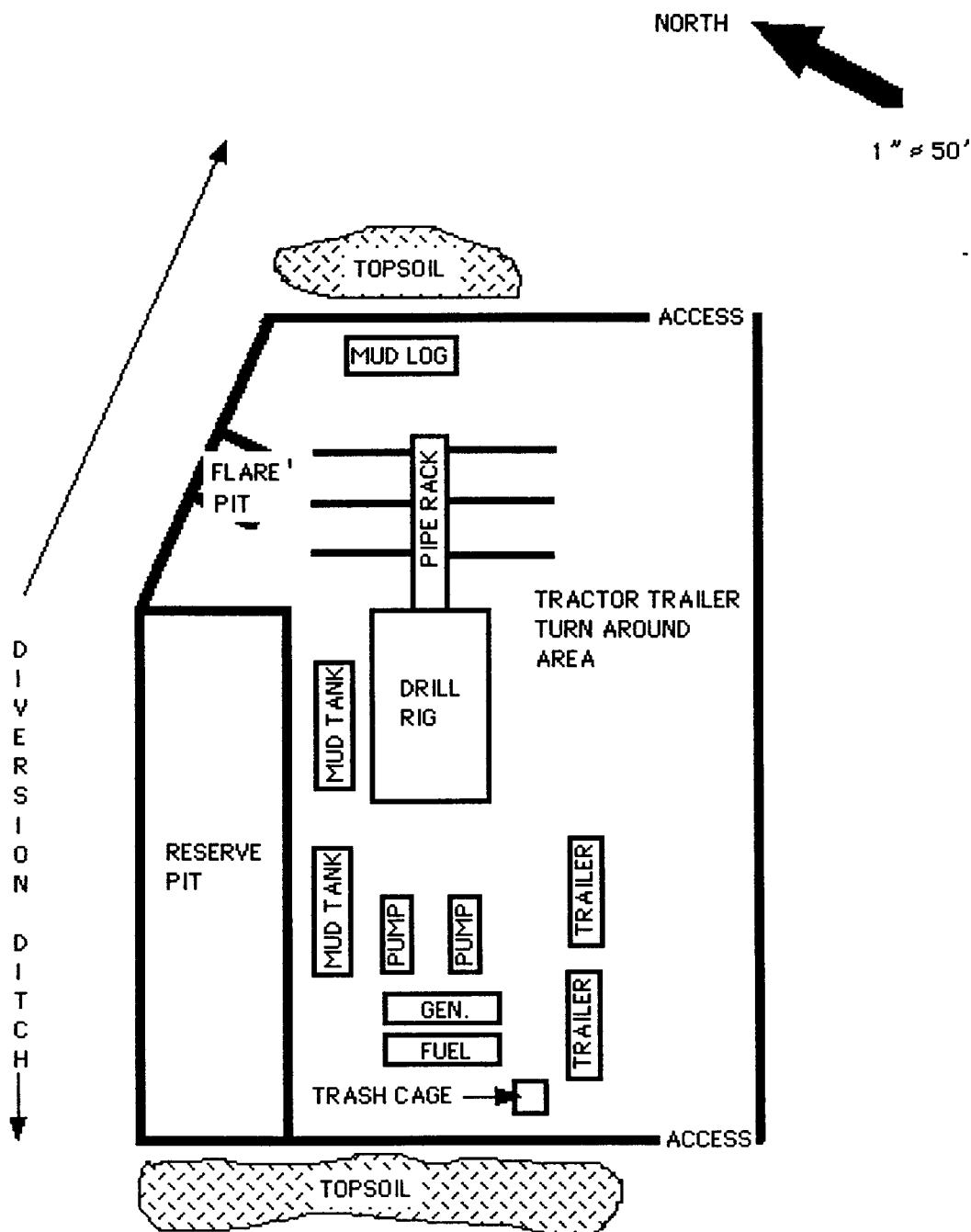
One water tank, two to three oil tanks, and a separator or heater-treater will be installed on the north side of the pad and east of the reserve pit. All will be painted a flat Carlsbad tan. All tanks, vessels, or other equipment (e. g., heater-treater) containing liquids will be inside a dike built and maintained at least 36" high. Each dike will be big enough to hold at least 150% of the volume of all liquids within all vessels within the dike.

#### CONSTRUCTION MATERIALS & METHODS

The top 6" of topsoil will be stripped and stockpiled east and west of the pad. A diversion ditch will be cut along the north side of the well site. A  $\geq 12$  mil plastic liner will be installed in the reserve pit.

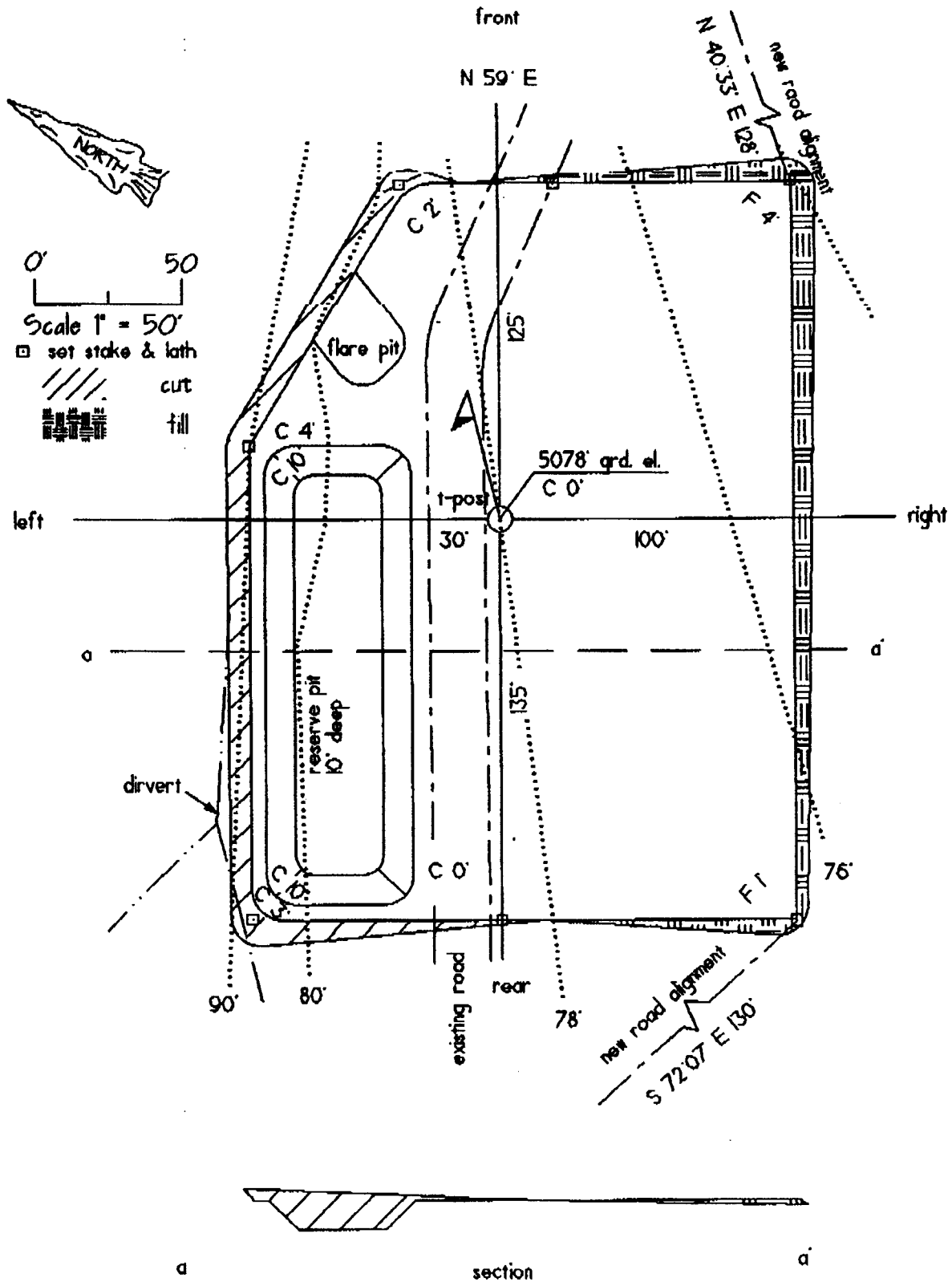
Yates Petroleum Corporation  
Manatee Federal #1  
495' FSL & 1015' FEL  
Sec. 9, T. 10 S., R. 18 E.  
Uintah County, Utah

PAGE 3



Manatee Federal # 1

well pad & section



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

007

APPLICATION FOR PERMIT TO DRILL OR REENTER

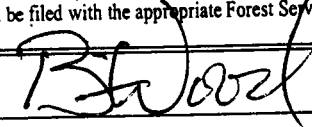
FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-68620
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 105 SOUTH 4TH ST. ARTESIA, NM 88210	3b. Phone No. (include area code) (505) 748-1471	8. Lease Name and Well No. MANATEE FEDERAL #1
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 495 FSL & 1015 FEL At proposed prod. zone SAME		9. API No. 43-087-35798
14. Distance in miles and direction from nearest town or post office* 20 AIR MILES SOUTH OF MYTON, UT		10. Field and Pool, or Exploratory UTELAND BUTTE
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 495'	16. No. of acres in lease 1,279.30	11. Sec., T. R. M. or Blk. and Survey or Area 9-10S-18E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 7,278' (#23-3)	19. Proposed Depth 5,000'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,078' GL	22. Approximate date work will start* 10/29/2004	13. State UT
17. Spacing Unit dedicated to this well SESE		
20. BLM/BIA Bond No. on file BLM NATIONWIDE: NM 2811		
23. Estimated duration 2 WEEKS		

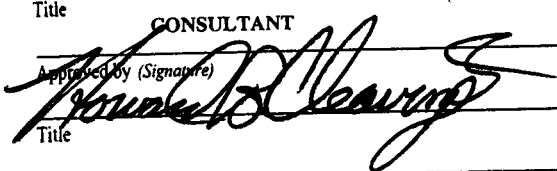
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 10/25/2004
---	------------------------------------	--------------------

Title CONSULTANT PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature) 	Name (Printed/Typed)	Date 11/09/2004
---	----------------------	--------------------

Title Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

APD ORIGINALLY DATED 5-28-04 & APPROVED BY UDOGM 6-14-04  
SUBSEQUENTLY MOVED BY BLM  
SUNDRY DOCUMENTING MOVE DATED 10-21-04  
BLM REQUESTED THIS NEW COVER SHEET 10-25  
SAME WELL THROUGHOUT

OCT 26 2004

NOV 22 2004

UDOGM

OFFICE OF OIL, GAS & MINING

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Yates Petroleum Corporation  
Well Name & Number: Manatee Federal 1  
API Number: 43-<sup>047</sup>~~007~~-35798  
Lease Number: UTU - 68620  
Location: SESE Sec. 09 TWN: 10S RNG: 18E  
Agreement: N/A

**NOTIFICATION REQUIREMENTS**

- |                                 |   |
|---------------------------------|---|
| Location Construction           | - At least forty-eight hours prior to construction of the location or access roads.   |
| Location Completion             | - Prior to moving on the drilling rig.  |
| Spud Notice                     | - At least twenty-four (24) hours prior to spudding the well.   |
| Casing String and Cementing     | - At least twenty-four (24) hours prior to running casing and cementing all casing strings.   |
| BOP and Related Equipment Tests | - At least twenty-four (24) hours prior to initiating pressure tests.   |
| First Production Notice         | - Within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

### CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

**Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.**

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands encountered to John Mayers of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.



4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood (435) 828-7875  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

**Conditions of Approval (COA)**  
**Yates Petroleum Corporation – Oil Well Manatee Federal #1**

1. At the time that the well is no longer in operation. The well shall be plugged and the location and access road shall be reclaimed. All disturbed surfaces shall be re-contoured to near natural contours. Any stockpiled top soils shall be spread over the re-contoured surfaces and reseeded with the following seed mixture:

<b>Seed Mixture:</b>		<b>lbs/acre</b>
shadscale	Atriplex confertifolia	4
Gardners salt bush	Atriplex gardneri	4
Galleta grass	Hilaria jamesii	4

Seed should be drilled but if broadcasted double the pounds per acre used and work the soils mechanically to cover the seed.

2. The operator shall dike ½ the well location with a dike that contains all facilities to be able to hold 150% the capacity of the largest production tank on location.
3. The reserve pit shall be lined with a 12 mil plastic or nylon reinforced liner to prevent drilling fluids from enter soils. The liner shall have bedding material of straw (weed free) or dirt to cover rocks and prevent puncture of the liner. The liner shall overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc... will be disposed of in the pit.

The pit shall be reclaimed within 60 days of completion of the well.

4. All facilities shall be painted a flat earth tone Carlsbad Canyon ((2.5Y 6/2) within 6 months of installation.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-68620
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION	6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
3. ADDRESS OF OPERATOR: 105 S. 4TH ST. CITY ARTESIA STATE NM ZIP 88210	7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (505) 748-1471	8. WELL NAME and NUMBER: MANATEE FEDERAL 1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 495 FSL & 1015 FEL	9. API NUMBER: 4304735798
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 9 10S 18E S	10. FIELD AND POOL, OR WILDCAT: UTELAND BUTTE
COUNTY: UINTAH	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: RENEW APD APPROVAL

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

REQUEST STATE RENEW APPROVAL OF APD FOR 1 YEAR.

COPY SENT TO OPERATOR  
Date: 6-28-05  
Initials: CWD

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 06-27-05

By: [Signature]

NAME (PLEASE PRINT) BRIAN WOOD

TITLE CONSULTANT

SIGNATURE [Signature]

DATE 6/16/2005

(This space for State use only)

RECEIVED

JUN 20 2005

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-35798  
**Well Name:** MANATEE FEDERAL 1  
**Location:** SESE 9-10S-18E, UINTAH COUNTY  
**Company Permit Issued to:** YATES PETROLEUM CORPORATION  
**Date Original Permit Issued:** 6/14/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

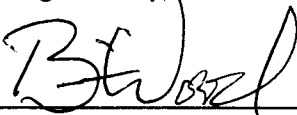
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
\_\_\_\_\_  
Signature

6/16/2005  
\_\_\_\_\_  
Date

Title: Consultant

Representing: Yates Petroleum Corporation

**RECEIVED  
JUL 14 2005**

DIV. OF OIL, GAS & MINING

## DIVISION OF OIL, GAS AND MINING

### ***SPUDDING INFORMATION***

Name of Company: YATES PETROLEUM COMPANY

Well Name: MANATEE FED 1

Api No: 43-047-35798 Lease Type: FEDERAL

Section 09 Township 10S Range 18E County UINTAH

Drilling Contractor GREY WOLF RIG # 807

### **SPUDDED:**

Date 10/26/05

Time

How DRY

***Drilling will Commence:***

Reported by BILL TAYLOR

Telephone # 1-254-204-3259 OR 307-389-8540

Date 10/27/05 Signed CHD

# Memo

**Date:** 11/7/05  
**To:** Earlene Russell, Division of Oil, Gas and Mining  
**From:** Stormi Davis, Yates Petroleum Corporation  
**RE:** Manatee Federal 1

---

I have enclosed Form 6 for this well. It seems there was some confusion with spud dates on our end. The well was spud 9-7-05 and conductor was set, but I did not receive any report of this activity. I apologize for this error, and I will file the remaining required forms within the appropriate time frame. Please call if you need anything else concerning this matter.



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NOV 09 2005

DIV. OF OIL, GAS & MINING



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other \_\_\_\_\_

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

495' FSL & 1015' FEL Sec. 9-T10S-R18E

5. Lease Serial No.

UTU-68620

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Manatee Federal 1

9. API Well No.

43-047-35798

10. Field and Pool, or Exploratory Area

Uteland Butte

11. County or Parish, State

Uintah, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

Spud and  
Surface Casing

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

9-7-05 Spudded well. Set 40' of 16" conductor.

10-28-05 Rigged up rotary tools and resumed drilling.

10-30-05 Cemented conductor w/170 sx. Cement to surface.

10-31-05 TD 12-1/4" hole to 440'. Set 8-5/8" 24# casing @ 425'. Cemented w/300 sx Class "C" with additives. Cement circulated to surface. WOC. Pressure tested casing to 1500# for 30 mins.

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DIV. OF OIL, GAS & MINING

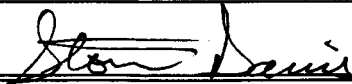
14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Stormi Davis

Title Regulatory Compliance Technician

Signature



Date 11/7/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by \_\_\_\_\_

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

## ENTITY ACTION FORM

Operator: Yates Petroleum Corporation  
Address: 105 S. 4th Street  
city Artesia  
state NM zip 88210

Operator Account Number: N 7400

Phone Number: (505) 748-4385

**Well 1**

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304735798	Manatee Federal 1	SESE	9	10S	18E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	15039	9/7/2005		11/9/05	
<b>Comments:</b> Spud well 9-7-05; set 40' of 16" conductor; rigged up rotary tools and began drilling 10-28-05. <div style="text-align: center;">WSTC <span style="float: right;">- J</span></div>						

**Well 2**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
<b>Comments:</b>						

**Well 3**

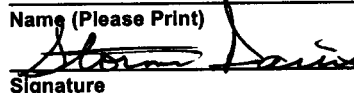
API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
<b>Comments:</b>						

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Stormi Davis

Name (Please Print)



Signature

Regulatory Compliance Tech

11/7/2005

Title

Date

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NOV 09 2005

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires March 31, 2007

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**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other \_\_\_\_\_

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

495' FSL & 1015' FEL Sec. 9-T10S-R18E

5. Lease Serial No.

UTU-68620

6. If Indian, Allottee or Tribe Name  
N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Manatee Federal 1

9. API Well No.

43-047-35798

10. Field and Pool, or Exploratory Area

Uteland Butte

11. County or Parish, State

Uintah, UT

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**TYPE OF SUBMISSION**

**TYPE OF ACTION**

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other \_\_\_\_\_

Production Casing

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**11-8-05** TD 7-7/8" hole to 5027'. Set 5-1/2" 17# casing @ 5019'. Cemented w/230 sx Hi-Fill w/additives and tailed in w/200 sx "G" w/additives. Cement circulated to surface. Tested casing to 1500# for 15 mins.

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**NOV 17 2005**

**DIV. OF OIL, GAS & MINING**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Stormi Davis

Title

Regulatory Compliance Technician

Signature



Date

11/14/05

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_

Title

Date

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

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**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other \_\_\_\_\_

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

495' FSL & 1015' FEL Sec. 9-T10S-R18E

5. Lease Serial No.

UTU-68620

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Manatee Federal 1

9. API Well No.

43-047-35798

10. Field and Pool, or Exploratory Area

Uteland Butte

11. County or Parish, State

Uintah, UT

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TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1-18-06 Date of first production.

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JAN 27 2006  
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Stormi Davis

Title

Regulatory Compliance Technician

Signature

*Stormi Davis*

Date

1/19/06

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: March 31, 2007

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. UTU-68620							
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other:		6. If Indian, Allottee or Tribe Name N/A							
2. Name of Operator Yates Petroleum Corporation		7. Unit or CA Agreement Name and No. N/A							
3. Address 105 S. 4th Str., Artesia, NM 88210		8. Lease Name and Well No. Manatee Federal 1							
3a. Phone No. (include area code) 505-748-1471		9. API Well No. 43-047-35798							
4. Location of Well (Report location clearly and in accordance with Federal requirements)*  At Surface 495' FSL 1015' FEL  At top prod. interval reported below Same as above  At total depth Same as above		10. Field and Pool, or Exploratory Uteland Butte							
14. Date Spudded 9/7/05 RH; 10/28/05 RT		15. Date T.D. Reached 11/8/05							
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.		17. Elevations (DF, RKB, RT, GL)* 5078' GL							
18. Total Depth: MD 5027' TVD NA		19. Plug Back T.D.: MD 4972' TVD NA							
20. Depth Bridge Plug Set: MD NA TVD NA		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Datalog, CNL, Induction-GR, Temperature, CBL							
22. Was Well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)									
23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	State Cementer Depth	No. of Skis & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	24#	Surface	425'		300 sx		Surface	
7-7/8"	5-1/2"	17#	Surface	5019'		430 sx		Surface	
24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2-7/8"	4835'								
25. Producing Intervals									
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status			
A) Uteland Butte	4601'	4790'	4784-4790'		24	Open			
B)			4769-4774'		20	Open			
C)			4735-4741'		24	Open			
D)			4713-4717'		16	Open			
			4649-4652'		12	Open			
			4617-4620'		12	Open			
			4601-4606'		20	Open			
26. Perforation Record									
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval	Amount and Type of Material								
4713-4790'	Frac w/29250 gal Lightning 18 Cross-linked Borate gel and 85000# 20/40 Ottawa sand								
4601-4652'	Frac w/22350 gal Lightning 18 Cross-linked Borate gel and 75000# 20/40 Ottawa sand								
28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
	12/22/05	24	⇒	56	0	36			Pumping
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			⇒	56	0	36		Shut-In waiting on Production Equipment Installation	
28a. Production-Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			⇒						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			⇒						

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DW 05-6

## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

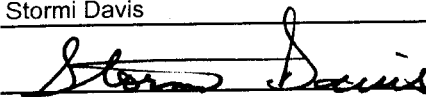
Formation	Top	Bottom	Description, Contents, etc.	Name	Top
					Meas Depth
				Green River Uteland Butte Wasatch	413' 4600' 4800'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey  
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Stormi Davis Title Regulatory Compliance Technician  
 Signature  Date 1/5/06

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires March 31, 2007

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**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other _____		5. Lease Serial No. <b>UTU-68620</b>
2. Name of Operator <b>Yates Petroleum Corporation</b>		6. If Indian, Allottee or Tribe Name <b>N/A</b>
3a. Address <b>105 S. 4th Str., Artesia, NM 88210</b>	3b. Phone No. (include area code) <b>505-748-1471</b>	7. If Unit or CA/Agreement, Name and/or No. <b>N/A</b>
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) <b>495' FSL &amp; 1015' FEL Sec. 9-T10S-R18E</b>		8. Well Name and No. <b>Manatee Federal 1</b>
		9. API Well No. <b>43-047-35798</b>
		10. Field and Pool, or Exploratory Area <b>Uteland Butte</b>
		11. County or Parish, State <b>Uintah, UT</b>

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Completion</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>Operations</b>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)


**12-6-05** Perforated Uteland Butte 4784-4790' (24), 4769-4774' (20), 4735-4741' (24) and 4713-4717' (16).

**12-16-05** Frac 4713-4790' w/29250 gal Lightning 18 Cross-linked Borate gel and 85000# 20/40 Ottawa sand. Set composite bridge plug @ 4670'. Perforated Uteland Butte sand 4649-4652' (12), 4617-4620' (12) and 4601-4606' (20). Frac w/22350 gal Lightning 18 Cross-linked Borate gel and 75000# 20/40 Ottawa sand.

**12-19-05** Drilled out composite bridge plug.

2-7/8" tubing @ 4835'.

**Well is shut-in waiting on production equipment installation.**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Stormi Davis</b>		Title <b>Regulatory Compliance Technician</b>
Signature 		Date <b>1/4/06</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by _____	Title _____	Date _____
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Office _____		

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RECEIVED

JAN 23 2006

DIV. OF OIL, GAS & MIN.

Effective Date: 2/1/2016

FORMER OPERATOR:	NEW OPERATOR:
Yates Petroleum Corporation N7400 105 South 4th Street Artesia NM 88210	Lodestone Operating, Inc. N2292 1605 US HWY 181, PMB #169 Portland TX 78374
CA Number(s):	Unit(s): Cazador

**WELL INFORMATION:**

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
Cazador Unit 1-1	31	37S	25E	4303731311	10807	Federal	Federal	OW	P
Cazador Unit 1-2	31	37S	25E	4303731332	10807	Federal	Federal	OW	P
Cazador Unit 1-4	31	37S	25E	4303731452	10807	Federal	Federal	OW	P
Manatee Fed 1	9	10S	18E	4304735798	15039	Federal	Federal	OW	P
McCracken Springs #2-31	31	37S	24E	4303731275	10680	Federal	Federal	OW	P

**OPERATOR CHANGES DOCUMENTATION:**

1. Sundry or legal documentation was received from the **FORMER** operator on: 4/4/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 4/4/2016
3. New operator Division of Corporations Business Number: 6279346-0143

**REVIEW:**

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 4/6/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: N/A
5. UIC5 on all disposal/injection/storage well(s) approved on: N/A
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

**NEW OPERATOR BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: UTB000018
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): N/A

**DATA ENTRY:**

1. Well(s) update in the **OGIS** on: 4/6/2016
2. Entity Number(s) updated in **OGIS** on: 4/6/2016
3. Unit(s) operator number update in **OGIS** on: 4/6/2016
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: N/A
6. Surface Facilities update in **RBDMS** on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**





Lodestone Operating, Inc.

1605 US Highway 181, PMB #169

Portland, Texas 78374

Phone: 361-816-7654

[smills@lodestoneoperating.com](mailto:smills@lodestoneoperating.com)

**RECEIVED**

APR 04 2016

DIV. OF OIL, GAS & MINING

Sent USPO Certified 7008 1490 0003 5984 0959

March 29, 2016

Utah Dept of Natural Resources  
Earlene Russell  
Oil & Gas Division  
P.O. Box 145703  
Salt Lake City, UT 84114-5703

Re: Form 9 – Sundry Notice – Change of Operator

**RECEIVED**

APR 04 2016

Dear Ms Russell:

DIV. OF OIL, GAS & MINING

Enclosed please find five (5) executed originals of Form 9 – Sundry Notices and Reports on Wells for the Change of Operator for the following Oil & Gas Wells located in San Juan and Uintah County, Utah effective February 1, 2016.

- |                       |                                       |                       |
|-----------------------|---------------------------------------|-----------------------|
| 1. Cazador Unit #1-1  | Lease# U-43651<br>API#43-037-31311    | San Juan County, Utah |
| 2. Cazador Unit #1-2  | Lease # U-43651<br>API# 43-037-31332  | San Juan County, Utah |
| 3. Cazador Unit #1-4  | Lease# U-43651<br>API# 43-037-31452   | San Juan County, Utah |
| 4. Manatee Federal #1 | Lease # UTU68620<br>API# 43-037-35798 | Uintah County, Utah   |

5. McCracken Springs #2-31

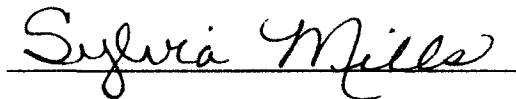
Lease# U-51846  
API# 43-037-31275

San Juan County, Utah

If you have any questions or if I can be of further service, please do not hesitate to contact me.

Very truly yours,

Very truly yours,  
LODESTONE OPERATING, INC.

A handwritten signature in cursive script, reading "Sylvia Mills", is written over a horizontal line.

Sylvia Mills  
Production Analyst

Enclosures

RECEIVED

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

APR 04 2016  
DIV OF OIL, GAS & MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-68620
2. NAME OF OPERATOR: Yates Petroleum Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 105 S. 4th Street CITY Artesia STATE NM ZIP 88210		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 495'FSL & 1015'FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 9 10S 18E		8. WELL NAME and NUMBER: Manatee Federal #1
PHONE NUMBER: (575) 748-1471		9. API NUMBER: 4304735798
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat; Uteland Butte
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

## Notice of Change of Operator

Yates Petroleum Corporation, as current operator of record, respectfully requests a change to designate a new operator

New Operator: Lodestone Operating, Inc

Address: 1605 US Hwy 181, PMB #169, Portland, TX 78374

Phone: 361-816-7654

BLM Bond #: RLB# 0010347

Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

## New Operator

operations conducted on the leased lands or portion thereof and hereby certifies that it is in agreement that the foregoing is true and correct

Signature by: DAVID M. REAYS - President

DATE: 3/11/2016

EFFECTIVE DATE: February 1, 2016

NAME (PLEASE PRINT) <u>Tina Huerta</u>	TITLE <u>Regulatory Reporting Supervisor</u>
SIGNATURE <u>Tina Huerta</u>	DATE <u>March 4, 2016</u>

(This space for State use only)

APPROVED

APR 06 2016

DIV. OIL GAS &amp; MINING

BY: Rachel Medina